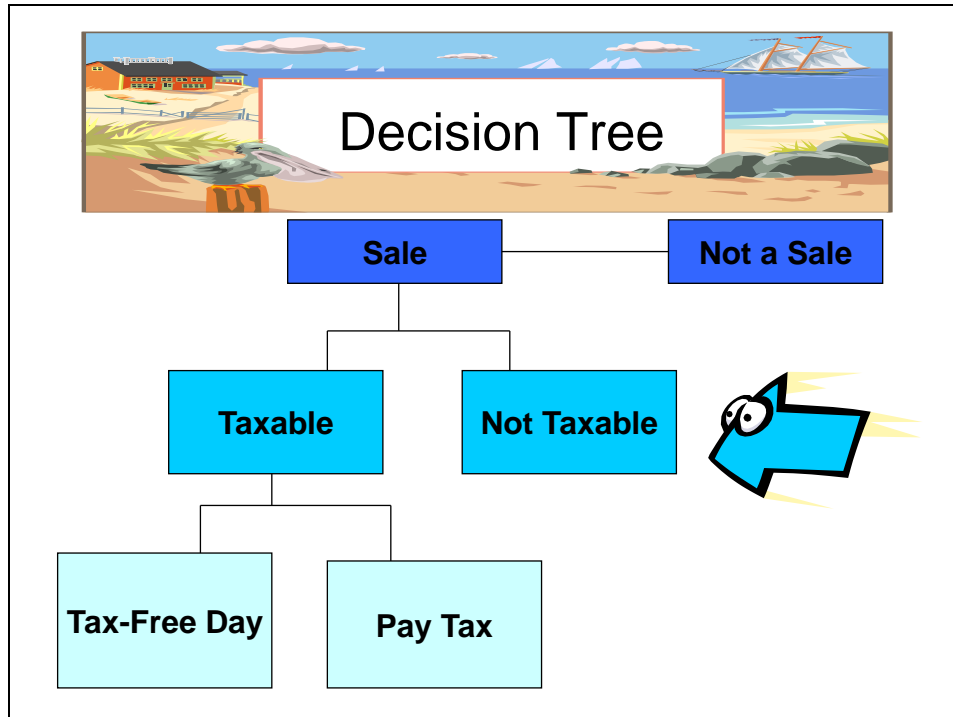


Taxable Sales vs. Non-Taxable Sales

Texas sales tax statutes impose tax on the sale, lease, or rental of tangible personal property and selected services. Tangible personal property includes personal property that can be seen, weighed, measured, felt, touched, or that is perceptible to the senses in any other manner. When an individual purchases a tangible item and it becomes the personal property of someone, it is taxable. It is irrelevant if the school logo is on the item or that the item will be utilized by a student in a school group for a school function.



School districts, schools, and school groups making sales of taxable items that do not have a specific exemption must collect and remit the tax.

The items or activities on the following lists have been identified as being [taxable](#) or [non-taxable](#) by the Comptrollers' Office when sold or sponsored by a school, by an organization within a school, PTAs, Booster Clubs, and employee associations. Whether taxable or not, all sales are reportable as sales on line 1 of the Texas Sales and Use Tax Return. The lists are not all-inclusive but may help you make determinations on other similar sales.

Non-Taxable Sales

Ad sales - in yearbooks, athletic programs, newspapers, posters
Admission – athletic, dances, dance performances, drama and musical performances
Admission – summer camps, clinics, workshops, project graduation
Admission – banquet fees
Admission - bids, prom, homecoming
Admission - tournament fees, academic competition fees
Cosmetology services (Products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fundraisers
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Parking permits
Services - car wash, cleaning

Taxable Sales

Items which the school purchases and later sells to students that are NOT used in the classroom or during school activities, or that become the student’s personal property for use outside school.

Agenda books	Magazines – subscriptions less than six months
Agricultural sales	Magazines - when sold individually
Art - supplies and works of art	Musical supplies - recorders, reeds
Artistic - CDs, tapes, videos	Parts - career & technology classes (not to include products used in cosmetology)
Athletic - equipment and uniforms	Parts - upholstery
Auction items sold	PE - uniforms, supplies
Automotive - parts and supplies	Pennants
Band - equipment, supplies, patches, badges, uniform sales or rentals	Pictures - school, group (if school is the seller)
Book covers	Plants - holiday greenery and poinsettias
Books - workbooks, vocabulary, library, author (when we are the seller)	Rentals - equipment of any kind
Calculators	Rentals - uniforms of any kind, towels
Calendars	Repairs to tangible personal property (i.e., computer repair, house remodeling)
Candles	Rings and other school jewelry
Car - painting, pin striping	Rummage, yard, and garage sales
Clothing - school, club, class, spirit	Safety supplies
Computer - supplies, mouse pads	School publications - athletic programs, posters
Cosmetology products sold to customers	School publications - brochures
Cups - glass, plastic, paper	School publications - magazines (unless > six month subscription)
Decals	School publications - newsletters, newspapers (generally are not sold though)
Directories - student, faculty	School publications - reading books
Drafting – supplies	School publications - sheet music, hymnals
Family and Consumer Science - supplies and sewing kits	School publications - yearbooks
Fees - copies, printing, laminating	School store - all items (except food)
Flowers	Science - science kits, boards, supplies
Greeting Cards	Spirit items
Handicrafts	Stadium seats
Horticulture items	Stationery
Hygiene supplies	Supplies – any sold to students
Identification cards – when they are sold to entire student body (not just the fine for a lost ID card)	Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Locks - sales and rentals	Vending - pencils and other non-edible supplies when the school services the machine
Lumber	Woodworking crafts - entire sale to include parts and labor
Merchandise, tangible personal property	Yard signs